



CANON BUSINESS PROCESS SERVICES, INC.

PRINT SERVICES

MANAGED PRINT SERVICES

WHITE PAPER

Four Keys to Unlocking the Power of Managed Print Services



HIGHLIGHTS

Optimizing the Print Management Infrastructure

Assess the Current State; Plan for the Future

Continuously Improve the MPS Program and the Business

Ensure Document Security and Compliance

Consider Sustainability

Overview



For years many organizations have owned a broad range of printing devices that they acquired from different vendors. These devices are associated with various service contracts and require different software and consumables. This scenario has caused a shift in the way organizations acquire and manage their print output devices.

Vendors of all types have moved to a managed print services (MPS) model to help companies with this change. MPS is an attractive way for companies to reduce their print infrastructure costs. The basic MPS approach is to manage the print and copy process by focusing on equipment alone with “cost-per-click” pricing and basic maintenance supplied by a vendor.

The MPS approach, whether managed internally or outsourced, treats the print and copy process as a comprehensive bundle of services provided to the organization’s end users.

Managing office document print output has evolved from this MPS model. Canon Business Process Services (Canon) has responded to this evolution with an offering that is a key element of our ongoing commitment to help clients continuously improve their business processes. Our approach to MPS is holistic, which means we manage not only printers but also our client’s entire document lifecycle, from document creation through disposal. This includes providing a strategy for every organization that wants to reap the maximum business benefits of more effectively managing its document and print output.

Leading industry analyst firms, such as Gartner, Forrester and IDC, define managed print services as an integrated bundle of services, consulting,

equipment, parts and supplies. The MPS approach, whether managed internally or outsourced, treats the print and copy process as a comprehensive bundle of services provided to the organization’s end-users. MPS centralizes the print and copy responsibility so that the organization can make smarter decisions that yield solid business benefits. These benefits include significantly reducing costs—in our experience by as much as 10–30 percent over traditional approaches—as well as increasing efficiency, security and sustainability across the entire enterprise.

Our approach takes the traditional MPS model a step further by going beyond device consolidation and cost savings. We focus on the business needs associated with printed output and apply people, process and technology to more efficiently, productively and securely address those business requirements. This white paper examines what companies need to know in order to start fully leveraging the power of MPS to help drive success in the days ahead.

Optimizing the Print Management Infrastructure

Today's mobile workers are using new and rapidly changing technologies, requiring organizations to adapt to new ways of conducting business. This includes improving their print infrastructure to better meet the needs of mobile employees, who need and expect the same access to corporate resources as on-site staff.

According to our research, while many organizations spend as much as three to six percent of their revenue on document process management costs, few have a clear idea of how to manage and reduce these costs. Why is this? One reason is that the costs are hard to quantify because they are spread across the organization in various budgets. Additionally, very few organizations have an executive or any dedicated management with full accountability for managing the print/copy infrastructure. Most companies do not have policies in place that govern print practices throughout the organization, resulting in fragmented responsibility. This also results in too many devices, operational inefficiency, poor management and unnecessary cost.

The information technology (IT) department manages printers, for example, while the facilities management function oversees MFDs (multifunction devices that combine print/copy/fax and scan capabilities) and the procurement

department focuses on negotiating the lowest cost on bulk equipment purchases. Ultimately, nobody monitors total costs of the print/copy operation, nor does anyone have a clear understanding of all the equipment that is being leased or owned, the total print/copy volume and other vital metrics. Few organizations know exactly how many devices they have, how they are being used or how much they cost to own, maintain and operate.

Because companies often do not fully assess their current printing processes, they are not in a position to adopt new approaches that could result in a more efficient and cost-effective print operation. These organizations often lack the most efficient and cost-effective practices. With no controls in place, large jobs can easily be misdirected to more costly floor devices or sent offsite to high-priced print retailers. An easily accessible, properly managed print center option should be considered as part of an organization's comprehensive print strategy.

Many print output operations do not deliver significant savings because their management process is limited to equipment costs. By focusing only on the printer, they overlook opportunities to implement more productive digital document workflows and secure document output management solutions. Focusing only on equipment

opens the door for high-operating-cost single-function devices and related supplies to enter the organization unchecked. Companies are becoming aware that in order to reduce costs and increase efficiency, they need to change their management process. Going down this path may entail reducing paper usage through scanning workflows, consolidating equipment, containing the use of color printing, leveraging automation and managing document output processes. The path might also include deploying document management experts, whether internally or on an outsourced basis, who can help facilitate changing the process in order to deliver financial savings and operational efficiencies beyond equipment acquisition and per-page printing costs.

In addition to tapping the right expertise, a new document output management strategy also needs to be championed by organizational executives. These influential leaders can help win support and drive positive results for advancing the program. Launching a successful MPS initiative also depends on gathering essential data about current hardware and document processes, establishing a clear strategic vision for the future, setting measurable goals and then monitoring progress as tactical steps are taken to implement the plan.

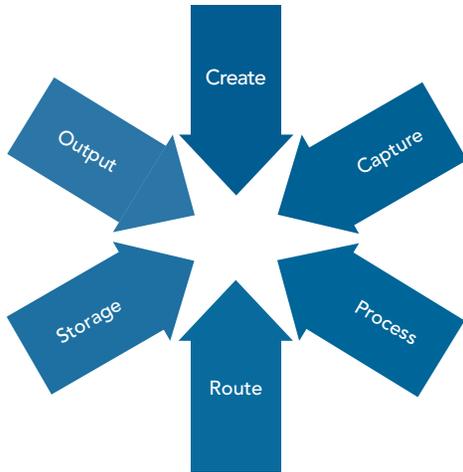
Based on our experience, there are four key elements that companies should have in place so they can optimize their print management infrastructure:

- + **Expert people** who can plan, implement, manage and continuously improve the entire output infrastructure. If outsourcing its MPS program, a company should consider tapping a partner with deep experience providing on-site services and a vendor-neutral approach when it comes to equipment and software. The partner should offer exceptional people who can span a range of responsibilities such as fleet managers, first responders/preventive maintenance specialists, document solution consultants and best practices consultants (including experience in Six Sigma-based methodologies). These people will be assessing the company’s current and projected document output needs in order to create a map that guides the operation from its “current state” to its “future state.”
- + **Comprehensive technology** and services that are tailored to the organization’s specific objectives. Working with a service provider, this element might include implementing technical and financial assessments that ultimately help to optimize the MPS program. Key services might include an onsite or offsite fleet support operation, supplies management and replenishment, fleet monitoring and asset management services. Additionally, an effective reporting system that helps drive continuous program improvement is critical to long-term success.
- + **Document capture options** that include distributed document capture, indexing and routing systems. Very often existing equipment and software can be leveraged to enhance the overall footprint and workflow, thereby reducing investment expense. Combining existing systems with digital equipment functionality can improve the MPS program, enhance workflow and improve the business itself.
- + **Output management solutions** that can streamline operational efficiency, ensure hardware and document security, and safeguard confidentiality. Look to provide a platform for management and reporting of print accounting, print job routing, mobile printing, secure printing, advanced scanning and device management. This allows for more consistent management of the organization’s print policies throughout the enterprise.

Four Key Elements

<p>EXPERT PEOPLE</p> <ul style="list-style-type: none"> + Analysts to assess the current state and plan the future state + Best practices professionals to deploy Six Sigma-based methodologies + Onsite operational management experience and expertise + Offsite fleet support professionals 	<p>COMPREHENSIVE TECHNOLOGY AND SERVICES</p> <ul style="list-style-type: none"> + Technical and financial assessments + Remote or onsite fleet support and call center operations + Performance reporting and oversight processes for continuous improvement + Vendor-neutral solutions + Support for mobile and remote workers
<p>DOCUMENT CAPTURE OPTIONS</p> <ul style="list-style-type: none"> + Reduce printed output through scanning technologies + Leverage MFDs as a “digital gateway” to the network + Streamline operations and reduce costs via distributed document capture, indexing and routing systems + Integrate with business systems to continuously improve the MPS program, workflow and the business 	<p>OUTPUT MANAGEMENT SOLUTIONS</p> <ul style="list-style-type: none"> + Mobile and “follow me” print applications + Rules-based routing + Document security features that help ensure confidentiality and compliance + Security auditing that prevents unauthorized distribution of scanned or printed documents + Statistical reporting of output usage

Assess the Current State— Plan for the Future



Before incurring expenses to maximize their print infrastructure initiatives, savvy companies look to partner with an organization that specializes in MPS.

Business partners with MPS expertise leverage their people to assess the company’s needs to ensure that business requirements are understood, projected costs are validated and efficient alternatives are considered and implemented.

A comprehensive assessment defines the needs of the organization’s available resources, culture, finances, current operations and desired outcomes. For example, a thorough assessment will monitor current user behaviors and

document workflows, determine print output volume, analyze floor layouts, detail current equipment assets and clarify total operational costs. With this and other data, the company will have a much better picture of details such as the types of documents it produces as well as the office space and device functionality supporting its document processes.

Together with the service provider, the organization can make much stronger decisions on which equipment to keep, retire, redeploy or replace. This will enable the organization to reach measurable financial targets.

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MPS POTENTIAL BUSINESS BENEFITS

- + Reduce and manage costs
- + Ensure document security
- + Manage compliance
- + Achieve more productive and efficient document workflows
- + Reduce workload for IT services
- + Contribute positively to sustainability initiatives

KEY MPS SERVICE PROVIDER CAPABILITIES

- + Expertise in MPS systems management best practices, such as implementing changes that can evolve a print/copy operation from

its current state to the agreed-upon future state and integrating document output with digital business process workflows

- + Ability to provide onsite staff to support and manage the document output process
- + Extensive portfolio of equipment and software to ensure that solutions will be tailored to specific client objectives
- + Capability to monitor results against established service level agreement (SLA) performance metrics
- + Experienced print analysts who can evaluate equipment and make informed decisions about the most

effective device utilization and functionality

- + Tools to efficiently manage the MPS process, such as a monitoring system that can interface with all equipment, assessment tools and a case management system to handle technical support issues
- + Support that includes automating/collecting meter reads, proactive service and supplies management, simplified billing and asset management, including “moves, adds and changes” of equipment and performance reporting

Continuously Improve the MPS Program and the Business

As highlighted earlier, considering document capture options and focusing on output management solutions can provide a range of benefits. These include improving the MPS program, enhancing workflow, improving security and ultimately improving the business itself.

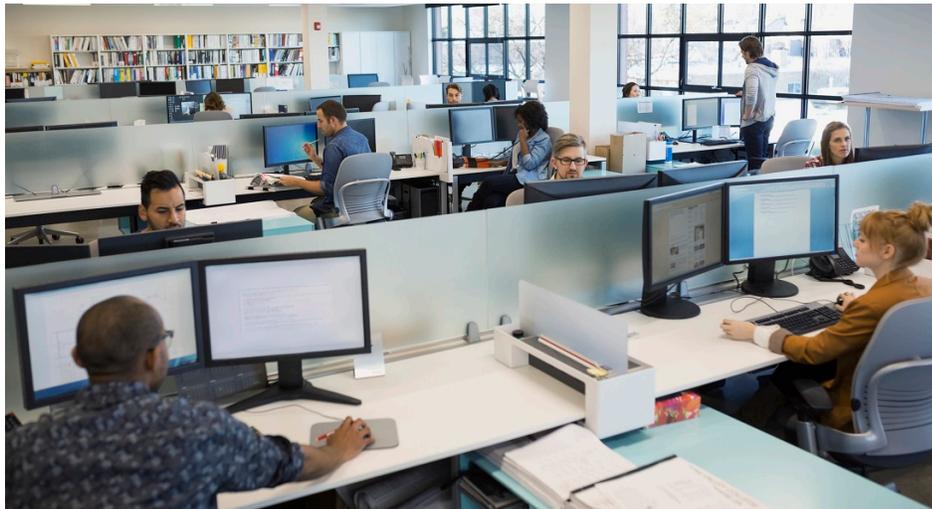
The important principle is that not only should the MPS program itself continuously improve over time, but the program should also address the company's business needs beyond print/copy/fax/scan output. Networked print devices and workflow technologies are part of the organization's IT infrastructure. Therefore, the document output infrastructure is ideally integrated with business systems to improve workflow, information management, employee productivity, security and compliance.

IMPROVING THE MPS PROGRAM

Evolving an MPS program to an optimized state is achieved through the initial assessment and ongoing continuous improvement efforts. A successful program entails continually monitoring and improving processes as well as revisiting organizational goals and planning.

The initial assessment identifies key performance indicators (KPIs) that will be used to measure program improvement over time. Continuing to monitor KPIs and making adjustments based on performance analyses while managing day-to-day MPS program activities enable a company to drive incremental improvements and continually optimize its operation.





REPORTS GUIDE MPS PROGRESS

The ability to generate detailed reports on MPS program performance and act on the information contained in those reports is critical to continually realize MPS program goals. Such reports, for example, may be reviewed quarterly by an organization and its MPS service provider to identify trends, variances, unexpected events and other information that can be used for MPS program enhancement.

Some of the valuable data that these reports may reveal include:

- + Under- or overutilization of print/copy devices
- + Significant changes in volume or in the use of color versus black-and-white printing
- + Asset reporting
- + Device-to-employee ratio reporting

By monitoring these KPIs, the organization can easily identify when performance falls below specifications and determine actions to remedy the problems.

BUSINESS PROCESS IMPROVEMENT

One way to leverage an MPS program to drive business improvements is to integrate MFDs into electronic workflow and document management systems. As an example, an MFD can provide a “scan to email” or “scan to document management system” capability. By leveraging existing technologies, companies can see real workflow improvements through:

- + Communications (email/faxing)
 - + Track and route scan jobs to email
 - + Utilize fax technology to integrate external documents into internal workflows
 - + Automatically parse a document for content and key data
- + Information Management
 - + Long-term storage into records systems
 - + Automatic extraction of information or critical data
- + Print Job Management
 - + Route jobs
 - + Secure print
- + Cost Recovery
 - + Track and manage
- + Print Center Leverage
 - + Send the high-cost, high-volume print jobs to the print center
 - + Make it easier to get jobs to the print room

Ensure Document Security and Compliance

Ensuring the security of printed documents today is not only possible but also practical. Organizations need to select devices that meet their security standards.

Besides ensuring data security, an effective MPS program can help an organization meet industry and governmental compliance regulations. Every MFD can be seen as a distributed document collection hub, providing “scan and send” capabilities that enable employees to easily push content into document repositories where they can be processed for compliance and records management purposes.

In addition, organizations can use their MPS program to monitor and prevent the distribution of confidential information.

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SECURITY CONSIDERATIONS

Most of today’s enterprises have built a strong perimeter of firewalls, intrusion prevention systems and antivirus software, and have instituted policies to protect their network infrastructure. Attention is given to servers, network equipment and user workstations, but networked printers and multifunction digital copier devices have been largely ignored when it comes to security. The same security principles used to secure IT equipment should be applied to office print equipment in order to protect data from fraud, unauthorized access, modification and deletion.

USER AUTHENTICATION

Every user should establish his or her identity before accessing any resource. Authentication is the method used to verify that the user is who he or she

claims to be. The most common authentication mechanisms include passwords, smartcards and two-factor authentication, such as a combination of a password and card access.

ACCESS CONTROL

Every user’s identity is associated with a role and privileges. These determine what the user can access and what actions the user can perform on a given resource. Access controls help protect information resources from unauthorized access, modification and deletion. Role-based access controls are the most common way to provide this form of security and control.

ENCRYPTION

Encryption is vital to ensuring the confidentiality and integrity of data while it is in storage and during network transmission.

LOGGING/AUDITING

Audit trails help system owners and auditors confirm that the implemented security mechanisms, such as authentication and access controls, network systems and application logs are implemented to serve this purpose.

Consider Sustainability

In addition to implementing the four key elements that can unlock the power of MPS, an organization should also consider sustainability as an important part of its program. Recent industry research indicates that businesses want to be more environmentally responsible and that they believe in the concept that “green business can be good business.”

In the U.S., companies concerned about the environment are teaming up with their MPS partners to initiate document management practices that are both sustainable and cost-effective. The following are a few MPS best practices that can help organizations realize their sustainability goals.

- + Develop user-to-device ratios that enable optimal employee and device productivity. With effective MPS management, it is possible to

change office practices and make duplex (double-sided) printing of multipage documents the norm. Our experience is that this can potentially decrease paper use by up to 50 percent.

- + Instead of copying and storing physical documents, organizations can scan and store documents electronically. This enables employees to digitally distribute and retain copies of documents, which in turn saves time and can help avoid a significant build-up of paper files.
- + With as many as one in ten documents sent to the printer and uncollected or sent again before collection, enterprises could correct user errors and reduce ad hoc print costs by up to 10 percent by implementing secure printing.

Conclusion

Canon Business Process Services leverages the four key elements highlighted in this report to create programs that maximize the business value of MPS for leading enterprises across a range of industries. These programs consistently achieve significantly improved MPS efficiency, effectiveness and controlled costs. Canon partners with

clients to deploy a staff of MPS experts, exceptional onsite services, advanced document capture workflow and output management solutions. This approach enables our clients to gain control over their document output strategy and marshal professional resources to begin the journey towards an optimized MPS program.



CANON BUSINESS PROCESS SERVICES, INC.

Advancing Business Performance to a Higher Level

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Canon Business Process Services, a wholly owned subsidiary of Canon U.S.A., offers managed services and technology for information and document management, business process outsourcing and specialty workforce services. We help clients improve operational performance while reducing cost and risk. Canon Business Process Services has been named a Global Outsourcing 100 Leader by IAOP for the past eleven years and recognized in the Gartner Magic Quadrant for Managed Print and Content Services for five consecutive years. We have also been acknowledged by CIOReview magazine as a "20 Most Promising Legal Technology Solution Provider."

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